

Local Sales Tax Collections Growth Improves in Third Quarter of 2019

Statewide Trends

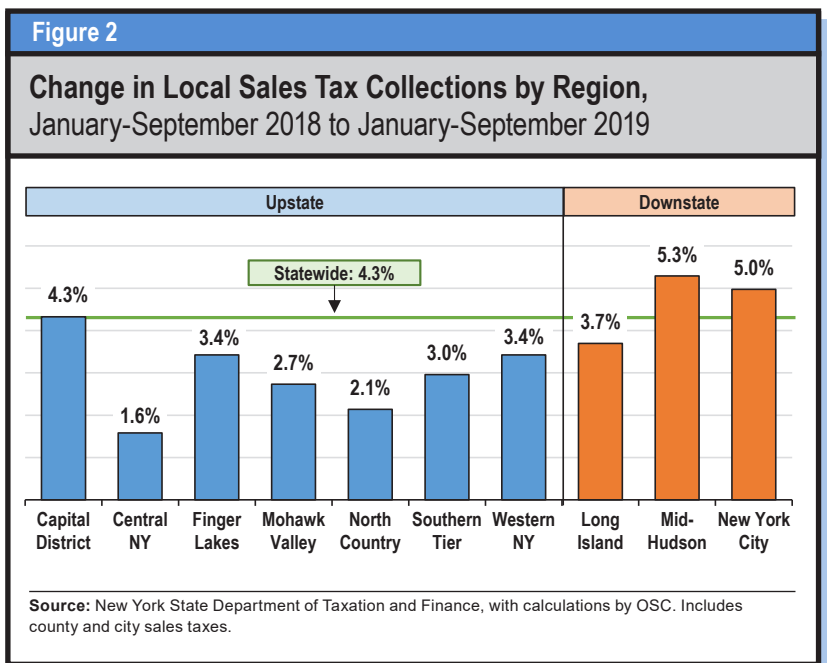
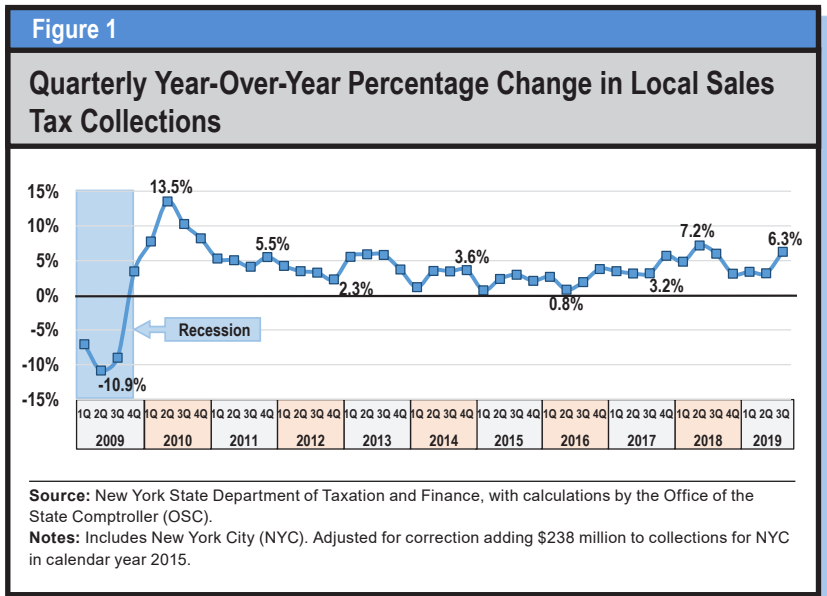
Local sales tax collections in New York State totaled \$4.8 billion in the third quarter of 2019, an increase of 6.3 percent over the third quarter of 2018. This growth was stronger than in either of the first two quarters of the year. (See Figure 1.) Year-to-date collections since January totaled \$13.5 billion, an increase of 4.3 percent over the same period in 2018.¹

Economic factors that can contribute to sales tax growth appear generally positive, with consumer spending and wages continuing to rise.² Another influence on third quarter collections could be the implementation, in June 2019, of the new requirement that internet marketplace providers collect and remit New York State and local sales taxes on behalf of their out-of-State vendors.³

Regional Patterns

Collections from January to September 2019 were the strongest downstate, with the Mid-Hudson (5.3 percent) and New York City (5.0 percent) leading all regions in year-over-year increases. Upstate, only the Capital District region had a growth rate that matched the statewide average of 4.3 percent.

Most other regions upstate experienced an increase in collections between 2.0 percent and 3.5 percent, while the Central New York region grew at only a modest 1.6 percent. (See Figure 2.)

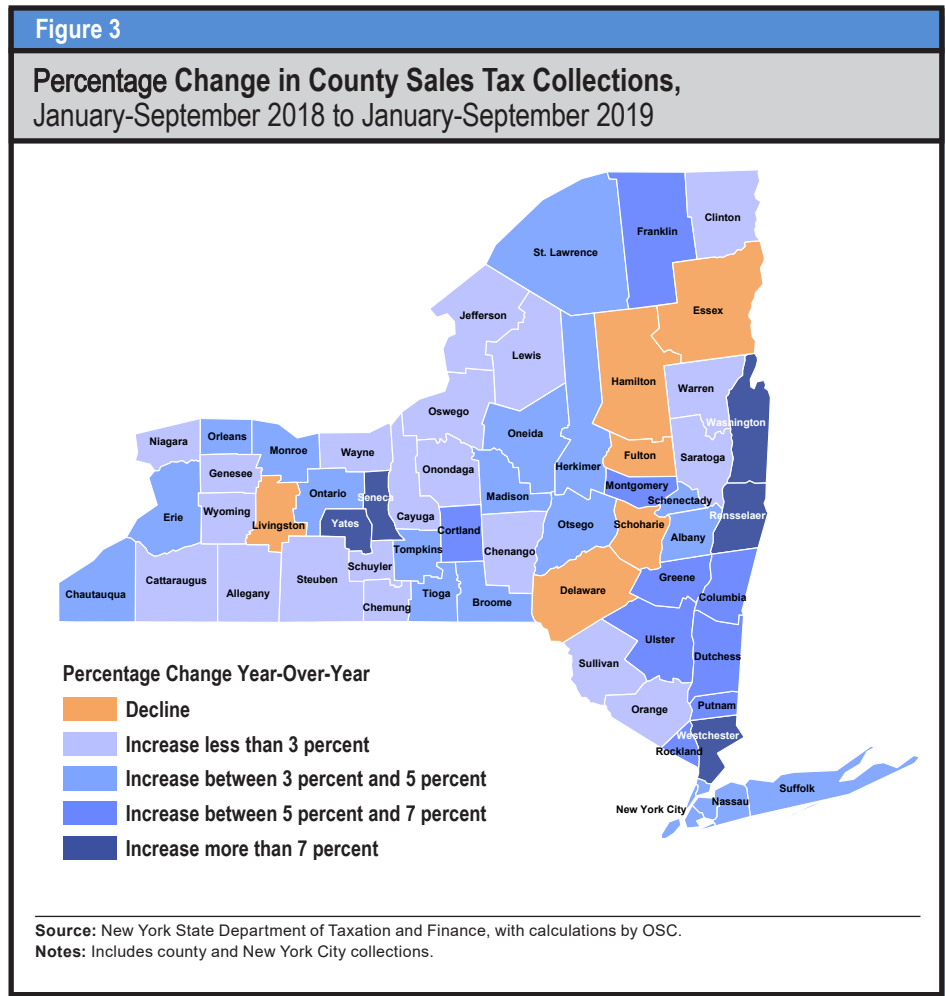


County Collections

County sales tax collections through the first three quarters of 2019 grew in 51 out of the 57 counties outside of New York City. This was a significant improvement compared to the first half of 2019, where collections declined in 15 counties over the same period the prior year.

Most downstate counties saw growth of over 3.0 percent, with the strongest in Westchester (7.3 percent). Certain upstate counties had fairly robust increases, including Rensselaer, Seneca and Washington. Yates County had the highest year-over-year increase of any county at 9.0 percent. (See Figure 3.)

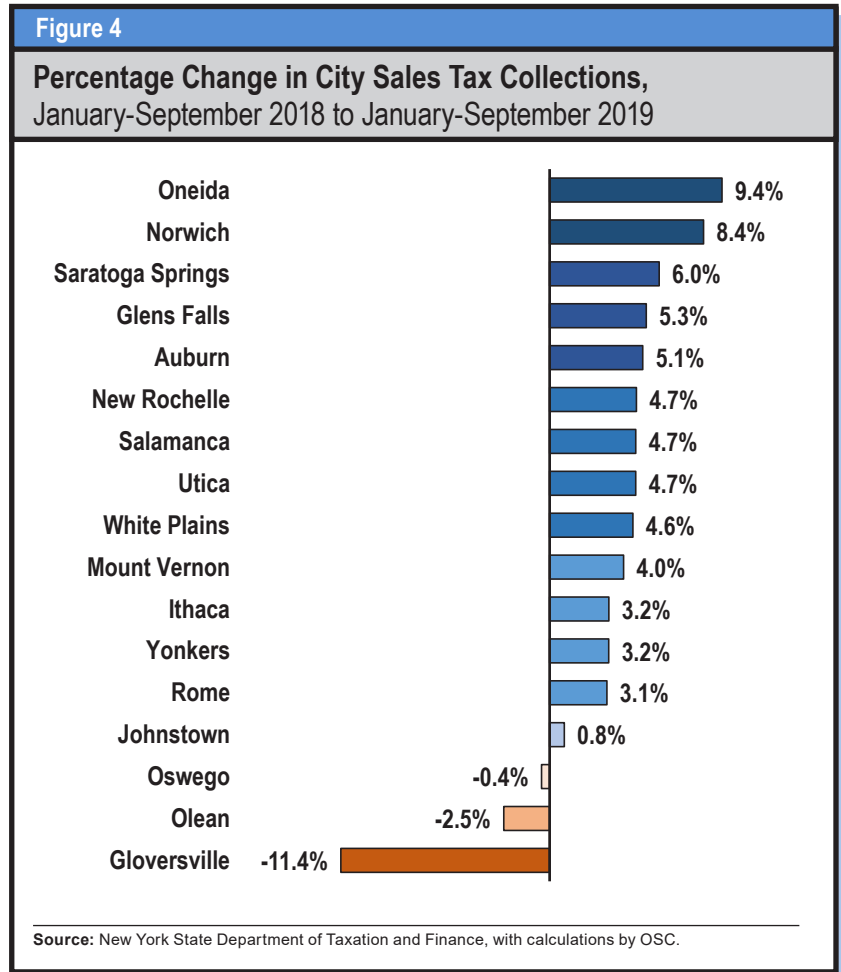
Some of the declines – including those in Delaware, Hamilton and Fulton counties – were at least partially due to corrections made by the Department of Taxation and Finance (Tax & Finance) to collections from prior periods or late filing changes, rather than to actual declines in sales.⁴



City Collections

Most of the State's 61 cities outside of New York City receive a share of what their respective counties collect, but 17 of them choose to impose their own general sales tax.⁵

Of these cities, three experienced a decline in collections through the first three quarters of 2019, with the largest decrease happening in Gloversville, followed by Olean and Oswego. The City of Oneida had the strongest growth, but it was mostly due to corrections made by Tax & Finance. (See Figure 4.)



Appendix: Sales Tax Collections by Region							
Region	City/ County	Third Quarter			January-September		
		2018 (millions)	2019 (millions)	Percentage Change	2018 (millions)	2019 (millions)	Percentage Change
Capital District		\$199.4	\$213.5	7.1%	\$564.3	\$588.7	4.3%
Albany	County	\$69.1	\$73.4	6.2%	\$204.9	\$212.4	3.7%
Columbia	County	\$11.6	\$12.2	5.2%	\$31.8	\$33.5	5.3%
Greene	County	\$9.0	\$9.7	7.9%	\$24.3	\$25.8	6.0%
Rensselaer	County	\$22.7	\$25.1	10.7%	\$66.1	\$71.0	7.4%
Saratoga	County	\$34.1	\$36.1	6.2%	\$93.7	\$96.5	2.9%
<i>Saratoga Springs</i>	City	\$4.1	\$4.3	5.5%	\$9.6	\$10.2	6.0%
Schenectady	County	\$25.1	\$27.0	7.9%	\$74.6	\$77.6	4.0%
Warren	County	\$17.5	\$18.7	6.8%	\$41.7	\$42.9	2.9%
<i>Glens Falls</i>	City	\$0.8	\$0.9	8.5%	\$2.5	\$2.6	5.3%
Washington	County	\$5.4	\$6.0	11.2%	\$15.2	\$16.3	7.9%
Central New York		\$141.1	\$146.3	3.7%	\$400.4	\$406.7	1.6%
Cayuga	County	\$10.0	\$10.5	4.9%	\$27.6	\$28.3	2.5%
<i>Auburn</i>	City	\$2.3	\$2.7	13.4%	\$6.9	\$7.3	5.1%
Cortland	County	\$7.7	\$8.4	8.9%	\$22.3	\$23.4	5.1%
Madison	County	\$7.9	\$8.5	7.4%	\$21.9	\$22.9	4.8%
<i>Oneida</i>	City	\$1.2	\$1.3	7.6%	\$3.3	\$3.6	9.4%
Onondaga	County	\$95.1	\$97.7	2.7%	\$271.9	\$274.4	0.9%
Oswego	County	\$13.1	\$13.3	1.6%	\$35.7	\$36.1	1.1%
<i>Oswego</i>	City	\$3.7	\$4.0	6.2%	\$10.8	\$10.7	-0.4%
Finger Lakes		\$211.2	\$220.0	4.2%	\$585.6	\$605.7	3.4%
Genesee	County	\$11.8	\$12.0	2.0%	\$31.5	\$31.7	0.6%
Livingston	County	\$9.4	\$9.4	0.2%	\$26.0	\$25.9	-0.4%
Monroe	County	\$134.4	\$139.0	3.4%	\$375.0	\$388.7	3.7%
Ontario	County	\$22.9	\$24.3	6.1%	\$63.7	\$65.8	3.3%
Orleans	County	\$4.3	\$4.7	7.6%	\$12.5	\$13.1	4.2%
Seneca	County	\$7.1	\$7.8	9.9%	\$18.9	\$20.5	8.3%
Wayne	County	\$12.4	\$13.1	6.2%	\$34.6	\$35.6	2.9%
Wyoming	County	\$5.2	\$5.5	6.6%	\$14.0	\$14.1	1.1%
Yates	County	\$3.7	\$4.2	12.4%	\$9.4	\$10.3	9.0%
Long Island		\$704.6	\$747.8	6.1%	\$1,991.8	\$2,065.4	3.7%
Nassau	County	\$306.5	\$327.8	6.9%	\$894.4	\$925.4	3.5%
Suffolk	County	\$397.3	\$419.1	5.5%	\$1095.5	\$1138.0	3.9%
Mid-Hudson		\$434.8	\$478.1	10.0%	\$1,251.7	\$1,318.0	5.3%
Dutchess	County	\$50.4	\$54.7	8.5%	\$144.6	\$153.7	6.3%
Orange	County	\$77.7	\$81.1	4.4%	\$218.7	\$222.6	1.8%
Putnam	County	\$16.7	\$18.0	7.5%	\$46.6	\$49.6	6.6%
Rockland	County	\$56.3	\$59.2	5.1%	\$161.8	\$170.9	5.6%
Sullivan	County	\$13.8	\$15.5	12.6%	\$35.3	\$35.8	1.6%
Ulster	County	\$32.6	\$34.9	7.1%	\$89.4	\$94.3	5.5%
Westchester	County	\$138.0	\$162.2	17.5%	\$408.6	\$438.4	7.3%
<i>Mount Vernon</i>	City	\$5.5	\$5.7	3.1%	\$16.1	\$16.8	4.0%
<i>New Rochelle</i>	City	\$7.6	\$8.2	8.5%	\$22.0	\$23.1	4.7%
<i>White Plains</i>	City	\$12.2	\$13.1	7.6%	\$36.8	\$38.5	4.6%
<i>Yonkers</i>	City	\$23.7	\$25.3	6.6%	\$70.9	\$73.2	3.2%

Appendix: Sales Tax Collections by Region

Region	City/ County	Third Quarter			January-September		
		2018 (millions)	2019 (millions)	Percentage Change	2018 (millions)	2019 (millions)	Percentage Change
Mohawk Valley		\$73.8	\$78.1	5.9%	\$207.0	\$212.7	2.7%
Fulton	County	\$5.7	\$6.1	6.9%	\$17.1	\$16.6	-3.0%
<i>Gloversville</i>	City	\$1.0	\$0.9	-1.7%	\$3.2	\$2.8	-11.4%
<i>Johnstown</i>	City	\$1.1	\$1.1	4.1%	\$3.1	\$3.1	0.8%
Hamilton	County	\$1.5	\$1.6	12.5%	\$3.3	\$3.2	-1.9%
Herkimer	County	\$9.0	\$9.8	8.4%	\$24.3	\$25.4	4.5%
Montgomery	County	\$8.1	\$8.8	8.6%	\$23.0	\$24.3	5.6%
Oneida	County	\$37.9	\$40.2	6.1%	\$107.4	\$111.2	3.5%
<i>Rome</i>	City	\$2.2	\$2.2	1.9%	\$5.9	\$6.0	3.1%
<i>Utica</i>	City	\$2.8	\$2.8	-0.5%	\$7.9	\$8.2	4.7%
Schoharie	County	\$4.6	\$4.5	-0.9%	\$11.9	\$11.8	-0.7%
North Country		\$73.2	\$77.1	5.3%	\$196.8	\$201.0	2.1%
Clinton	County	\$15.4	\$16.0	3.9%	\$42.5	\$43.5	2.4%
Essex	County	\$10.0	\$9.9	-0.9%	\$23.7	\$23.7	-0.1%
Franklin	County	\$6.7	\$7.1	6.8%	\$17.7	\$18.7	5.5%
Jefferson	County	\$22.5	\$23.6	4.7%	\$59.5	\$60.0	0.8%
Lewis	County	\$3.3	\$3.7	10.8%	\$9.5	\$9.7	2.6%
St. Lawrence	County	\$15.3	\$16.8	9.8%	\$44.0	\$45.5	3.4%
Southern Tier		\$121.1	\$123.3	1.8%	\$331.5	\$341.3	3.0%
Broome	County	\$36.6	\$35.2	-3.9%	\$100.3	\$105.1	4.8%
Chemung	County	\$15.5	\$16.2	4.7%	\$45.4	\$46.5	2.4%
Chenango	County	\$6.2	\$6.7	7.5%	\$18.3	\$18.4	0.5%
<i>Norwich</i>	City	\$0.4	\$0.5	14.5%	\$1.2	\$1.3	8.4%
Delaware	County	\$6.4	\$6.7	4.5%	\$16.9	\$16.2	-4.3%
Otsego	County	\$11.8	\$12.4	5.6%	\$29.5	\$30.4	3.2%
Schuyler	County	\$3.7	\$3.9	3.5%	\$8.6	\$8.9	3.0%
Steuben	County	\$16.3	\$16.6	1.7%	\$44.1	\$44.4	0.6%
Tioga	County	\$6.5	\$6.9	5.3%	\$17.8	\$18.7	4.8%
Tompkins	County	\$14.5	\$14.8	2.2%	\$40.4	\$42.1	4.2%
<i>Ithaca</i>	City	\$3.1	\$3.3	6.6%	\$8.8	\$9.1	3.2%
Western New York		\$280.1	\$297.3	6.2%	\$793.4	\$820.6	3.4%
Allegany	County	\$5.5	\$6.0	8.5%	\$16.1	\$16.4	2.2%
Cattaraugus	County	\$10.1	\$10.6	4.5%	\$29.0	\$29.7	2.6%
<i>Olean</i>	City	\$1.2	\$1.1	-2.7%	\$3.3	\$3.2	-2.5%
<i>Salamanca</i>	City	\$0.2	\$0.2	5.2%	\$0.5	\$0.5	4.7%
Chautauqua	County	\$19.0	\$20.2	6.3%	\$51.1	\$53.0	3.8%
Erie	County	\$207.3	\$220.8	6.5%	\$592.4	\$614.3	3.7%
Niagara	County	\$33.4	\$35.3	5.6%	\$92.9	\$95.4	2.7%
New York City		\$1,936.4	\$2,058.5	6.3%	\$5,789.9	\$6,077.9	5.0%
Other Local		\$295.6	\$314.5	6.4%	\$858.0	\$895.1	4.3%
Statewide Total		\$4,471.3	\$4,754.7	6.3%	\$12,970.6	\$13,533.2	4.3%

Source: New York State Department of Taxation and Finance, with calculations by OSC.

Notes: Other local includes sales taxes collected on behalf of the New York Convention Center Development Corporation, the Mass Transportation Operating Assistance Fund, the Metropolitan Transit Authority Aid Trust Account and school districts. Regional totals do not include taxes collected for these purposes, but do include cities that impose a general sales tax.

Notes

- ¹ Unless otherwise noted, all sales tax collections data in this report are taken from the New York State Department of Taxation and Finance's AS570 reports. The AS570 reports distributions, which are called collections in this report. The rates shown in Figure 1 have been adjusted for a major multiyear technical correction to New York City's collections in 2015. For a more thorough discussion of this adjustment, see the Office of the New York State Comptroller, *2016 Local Sales Tax Collections* (January 31, 2017), www.osc.state.ny.us/reports/economic/2016-local-sales-tax-collections.pdf.
- ² Federal Reserve, *The Beige Book*, October 2019, www.federalreserve.gov/monetarypolicy/beige-book-default.htm.
- ³ New York State Division of Budget, *FY 2020 Enacted Budget Financial Plan*, p.p. 91 and 151, accessed October 18, 2019, www.budget.ny.gov/pubs/archive/fy20/enac/fy20fp-en.pdf; New York State Department of Taxation and Finance, Technical Memorandum TSB-M-19(2)S, "Sales Tax Collection Requirement for Marketplace Providers," May 31, 2019, www.tax.ny.gov/pdf/memos/sales/m19-2s.pdf.
- ⁴ As used in this report, the term "technical adjustments" refers to any of a number of collection or distribution corrections made by the Department of Taxation and Finance that are not related to current economic activity, such as late filings or errors caught on later audit. See Department of Taxation and Finance, *AS310 – Quarterly Cash and Collection Distributions with Variances for Assessments, Late-Filed Returns, Rate Adjustments and Prior Period Adjustments*, www.tax.ny.gov/research/stats/statistics/sales_tax/government/as310.htm.
- ⁵ For a discussion of sales tax pre-emption by cities, see: Office of the New York State Comptroller, *Local Government Sales Taxes in New York State: 2015 Update*, March 2015, p. 6, www.osc.state.ny.us/localgov/pubs/research/salestax2015.pdf.



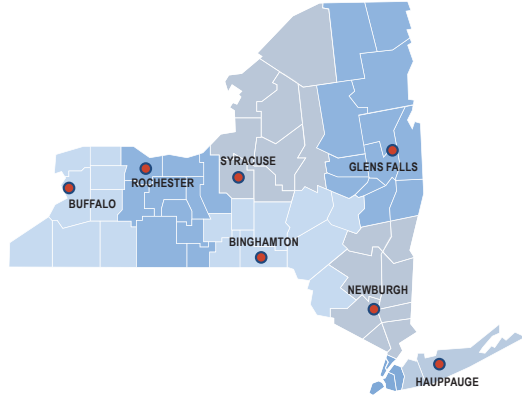
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